

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 PA-01 PRS-01 USIA-06 IO-11 INT-05

TRSE-00 PM-04 NSC-05 SP-02 SS-15 DODE-00 /080 W

----- 123058

R 231225Z JAN 76

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 8503

C O N F I D E N T I A L L I M A 0 7 1 1

E.O. 11652: GDS

TAGS: PINT, ELAB, PE

SUBJECT: LABOR REACTS TO ECONOMIC DECREES

SUMMARY: THE PREDICTABLE ENCOMIA GIVEN GOP ECONOMIC MEASURES BY
SECTORIZED PRESS AND GOVERNMENT SPONSORED SOCIAL ORGANIZA-
TIONS HAVE BEEN FOLLOWED BY THE EQUALLY EXPECTED SHARP CRITICISM BY
CERTAIN PERIODICALS (SEPTEL) AND BY AN INCREASE
IN LABOR AGITATION. END SUMMARY.

1. FAR LEFT MINER FEDERATION (FNTMMP) LED 2-DAY GENERAL STRIKE
JANUARY 19 AND 20, SHUTTING DOWN SPCC'S TOQUEPALA AND ILO
OPERATIONS AND AT LEAST MODERATELY AFFECTING GOVERNMENT
CENTROMIN MINE COMPLEX. UNION CALLED DECREED WAGE INCREASES
"MISERABLE" AND REJECTED GOP ONE-YEAR MORATORIUM ON COLLECTIVE
BARGAINING OVER WORK CONDITIONS AND OTHER NON-WAGE ISSUES.
MINE UNION CONGRESS JANUARY 22-24 WILL DECIDE NEXT STEPS IN
LABOR MOBILIZATION TO FORCE REPEAL OF WAGE DECREES.

2. IN AREQUIPA BUS AND TRANSPORT WORKERS STRUCK WEEK OF
JANUARY 18 IN EFFORT TO FORCE FURTHER INCREASE IN FARES.
GOP CLAIMS STRIKE WAS A FAILURE, BUT IT DID SERIOUSLY AFFECT
CITY. HOWEVER, ISSUE WAS NOT ONE GEARED TO GAIN SUPPORT
FROM OTHER LABOR GROUPS WHOSE INTEREST IS IN LOWER RATHER THAN
HIGHER TRANSPORT FARES.

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3. COMMUNIST CGTP TRADE UNION FOLLOWED COMMUNIST PARTY

LEAD IN QUALIFIED SUPPORT OF ECONOMIC MEASURES. CGTP, HOWEVER, TERMED LEVEL OF WAGE INCREASES INSUFFICIENT AND ASKED THAT THEY BE MODIFIED. UNION HAS CALLED FOR LABOR PARTICIPATION IN GOP-RUN ORGANIZATION WHICH IS ATTEMPTING TO FERRET OUT SPECULATORS AND HOARDERS.

4. CGTP BANK FEDERATION HAS CALLED NATIONWIDE BANK STRIKE FOR JANUARY 23. THIS HAS CONTRIBUTED TO WIDESPREAD RUMORS OF NATIONWIDE LABOR AGITATION ON THAT DATE, ESPECIALLY AFFECTING TRANSPORT WHERE COMMUNIST-LED TEAMSTER UNION IS DEMANDING HIGHER FARES AND PAYMENTS. LIMA RESIDENTS ARE ENGAGING IN SOME PANIC BUYING IN ANTICIPATION OF SHORTAGES. LEADERS OF 150,000 MEMBER TEAMSTER UNION MET WITH PRESIDENT MORALES BERMUDEZ JANUARY 21. STATEMENTS OF BOTH PRESIDENT AND UNION LEADERS POINT TO RESOLUTION OF MANY OF THE UNION CONCERNS AND ALLUSION TO SOME ADJUSTMENT IN TRANSPORT RATES. POSSIBLE JANUARY 23 STRIKE OF GASOLINE ATTENDANTS (THEY ARE PRESSING FOR SHARE IN INCREASED GASOLINE REVENUE) MAY ALSO HAVE IMMEDIATE IMPACT IN TRANSPORT AREA. A STRIKE OF THE COMMUNIST PRINTERS UNION, AFFECTING MOST LIMA DAILIES, IS INTO ITS EIGHTH DAY. OSTENSIBLE LABOR GRIEVANCES ARE NOT RELATED TO ECONOMIC MEASURES BUT THEY ADD TO IMPRESSION OF LABOR TURBULENCE.

5. APRISTA CTP UNION HAS ISSUED STATEMENT NOTING FINANCE MINISTER BARUA'S "UNACCUSTOMED FRANKNESS" IN OUTLING GRAVE ECONOMIC CRISIS "COMPARABLE ONLY TO 1930", AND LAMENTING FACT THAT GOP DID NOT CONSULT LABOR ORGANIZATIONS BEFORE FORMULATING DECREES. CTP IS SEVERLY CRITICAL OF ECONOMIC MEASURES WHICH IT CLAIMS NOT ONLY LIMIT FUTURE INCREASES BUT PURPORT TO ROLL BACK GAINS RECENTLY NEGOTIATED. THIS, ACCORDING TO CTP, IS UNCONSTITUTIONAL (NO LAW CAN BE RETROACTIVE) AND UNION CONTENTS THAT CONTRACTS COMPLETED OR NOW UNDER NEGOTIATION ARE IN NO WAY AFFECTED BY THE DECREE. UNION DEMANDS ABROGATION OF WHAT IT TERMS ANTI-LABOR PROVISION OF WAGE CEILING AND PROHIBITION ON COLLECTIVE BARGAINING OVER WORK CONDITIONS. FINALLY, UNION CALLS FOR AUTOMATIC COST OF LIVING ESCALATOR CLAUSE BENEFITING ALL WORKERS. CTP STATES IT WILL DECIDE NEXT STEP, INCLUDING

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POSSIBLE STRIKE ACTION, AT JANUARY 30 GENERAL ASSEMBLY.

6. COMMENT: CGTP IS CONTINUING TWO-TRACK POLICY OF SUPPORT IN PRINCIPLE FOR GOP, COUPLED WITH AT LEAST SOME CASES OF OPPOSITION TO GOP LABOR MEASURES IN PRACTICE. CTP CRITICISM OF ECONOMIC MEASURES MAY REFLECT APRA DISILLUSIONMENT WITH ITS INABILITY TO ESTABLISH A DIALOGUE WITH GOP. POLICIES OF BOTH CGTP AND CTP RESPOND AT LEAST IN PART

TO GENUINE WORKER DISCONTENT OVER SHARP PRICE HIKES. IN
SUM, GOP EFFORTS TO LEGISLATE LABOR PEACE SEEM DOOMED TO
FAILURE AND A PERIOD OF INCREASED LABOR UNREST APPEARS TO
BE UPON US.

7. EMBASSY WILL BE WATCHING CLOSELY TO SEE TO WHAT EXTENT
THESE LABOR-RELATED ISSUES SPILL OVER INTO MORE GENERALIZED
POLITICAL PROBLEMS FOR THE GOP IN THE COMING DAYS AND WEEKS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, ECONOMIC PROGRAMS, LABOR STRIKES, OPPOSITION PARTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: powellba
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LIMA00711
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760027-0332
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760128/aaaaayms.tel
Line Count: 124
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: powellba
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUL 2004 by coburnhl>; APPROVED <28 OCT 2004 by powellba>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LABOR REACTS TO ECONOMIC DECREES SUMMARY: THE PREDICTABLE ENCOMIA GIVEN GOP ECONOMIC MEASURES BY
TAGS: PINT, ELAB, PE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006